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**SUBSTITUTE HOUSE BILL 2228**

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**State of Washington**

**58th Legislature**

**2003 Regular Session**

**By** House Committee on Transportation (originally sponsored by Representatives Murray, Wallace, Cooper, Clibborn, Simpson, Rockefeller, Hudgins and Hankins)

READ FIRST TIME 04/02/03.

1 AN ACT Relating to commute trip reduction incentives; adding a new  
2 section to chapter 70.94 RCW; adding a new chapter to Title 82 RCW;  
3 creating new sections; repealing RCW 82.04.4453, 82.04.4454, 82.16.048,  
4 and 82.16.049; prescribing penalties; providing a contingent effective  
5 date; and providing expiration dates.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** DEFINITIONS. The definitions in this  
8 section apply throughout this chapter and section 9 of this act unless  
9 the context clearly requires otherwise.

10 (1) "Public agency" means any county, city, or other local  
11 government agency or any state government agency, board, or commission.

12 (2) "Public transportation" means the same as "public  
13 transportation service" as defined in RCW 36.57A.010 and includes  
14 passenger services of the Washington state ferries.

15 (3) "Nonmotorized commuting" means commuting to and from the  
16 workplace by an employee by walking or running or by riding a bicycle  
17 or other device not powered by a motor.

18 (4) "Ride sharing" means the same as "flexible commuter ride

1 sharing" as defined in RCW 46.74.010, including ride sharing on  
2 Washington state ferries.

3 (5) "Car sharing" means a membership program intended to offer an  
4 alternative to car ownership under which persons or entities that  
5 become members are permitted to use vehicles from a fleet on an hourly  
6 basis.

7 NEW SECTION. **Sec. 2.** TAX CREDITS--BUSINESS AND OCCUPATION AND  
8 PUBLIC UTILITY TAXES. (1) Employers in this state who are taxable  
9 under chapter 82.04 or 82.16 RCW and provide financial incentives to  
10 their own or other employees for ride sharing, for using public  
11 transportation, for using car sharing, or for using nonmotorized  
12 commuting before June 30, 2013, are allowed a credit against taxes  
13 payable under chapters 82.04 and 82.16 RCW for amounts paid to or on  
14 behalf of employees for ride sharing in vehicles carrying two or more  
15 persons, for using public transportation, for using car sharing, or for  
16 using nonmotorized commuting, not to exceed sixty dollars per employee  
17 per year.

18 (2) Property managers who are taxable under chapter 82.04 or 82.16  
19 RCW and provide financial incentives to persons employed at a worksite  
20 in this state managed by the property manager for ride sharing, for  
21 using public transportation, for using car sharing, or for using  
22 nonmotorized commuting before June 30, 2013, are allowed a credit  
23 against taxes payable under chapters 82.04 and 82.16 RCW for amounts  
24 paid to or on behalf of these persons for ride sharing in vehicles  
25 carrying two or more persons, for using public transportation, for  
26 using car sharing, or for using nonmotorized commuting, not to exceed  
27 sixty dollars per person per year.

28 (3) The credit under this section is equal to the amount paid to or  
29 on behalf of each employee multiplied by fifty percent, but may not  
30 exceed sixty dollars per employee per year. The credit may not exceed  
31 the amount of tax that would otherwise be due under chapters 82.04 and  
32 82.16 RCW.

33 (4) A person may not receive credit under this section for amounts  
34 paid to or on behalf of the same employee under both chapters 82.04 and  
35 82.16 RCW.

36 (5) A person may not take a credit under this section for amounts  
37 claimed for credit by other persons.

1        NEW SECTION.    **Sec. 3.**    TAX CREDIT FILING.    (1) Application for tax  
2 credit under section 2 of this act may only be made in the form and  
3 manner prescribed in rules adopted by the department.

4        (2) Any person who knowingly makes a false statement of a material  
5 fact in the application for a credit under section 2 of this act is  
6 guilty of a gross misdemeanor.

7        NEW SECTION.    **Sec. 4.**    TAX CREDIT LIMITATIONS.    (1) The department  
8 shall keep a running total of all credits granted under section 2 of  
9 this act and all grants provided under section 9 of this act during  
10 each calendar year.

11        (2) No person is eligible for tax credits under section 2 of this  
12 act in excess of the amount of tax that would otherwise be due under  
13 chapters 82.04 and 82.16 RCW.

14        (3) No portion of an application for credit disallowed under this  
15 section may be carried back; however, credits may be carried forward.

16        (4) No person is eligible for both grants provided under section 9  
17 of this act and tax credits under section 2 of this act within the same  
18 calendar year.

19        NEW SECTION.    **Sec. 5.**    FUND TRANSFER.    (1) The director shall on  
20 the 25th of February, May, August, and November of each year advise the  
21 state treasurer of the amount of credit taken under section 2 of this  
22 act during the preceding calendar quarter ending on the last day of  
23 December, March, June, and September, respectively.

24        (2) On the last day of March, June, September, and December of each  
25 year, the state treasurer based upon information provided by the  
26 department shall deposit to the general fund a sum equal to the dollar  
27 amount of the credit provided under section 2 of this act from the  
28 multimodal transportation account.

29        NEW SECTION.    **Sec. 6.**    COMMUTE TRIP REDUCTION REPORTING.    The  
30 commute trip reduction task force shall determine the effectiveness of  
31 the tax credit under section 2 of this act as part of its ongoing  
32 evaluation of the commute trip reduction law and report to the  
33 legislative transportation committee and to the fiscal committees of  
34 the house of representatives and the senate. The report must include  
35 information on the amount of tax credits claimed to date and

1 recommendations on future funding for the tax credit program. The  
2 report must be incorporated into the recommendations required in RCW  
3 70.94.537(5).

4 NEW SECTION. **Sec. 7.** ADMINISTRATION. Chapter 82.32 RCW applies  
5 to the administration of this chapter.

6 NEW SECTION. **Sec. 8.** EXPIRATION. This chapter expires June 30,  
7 2013, except for section 5 of this act, which expires December 31,  
8 2013.

9 NEW SECTION. **Sec. 9.** A new section is added to chapter 70.94 RCW  
10 to read as follows:

11 (1) The department of transportation shall administer a grant  
12 program for public agencies, nonprofit organizations, developers, and  
13 property managers who provide financial incentives for ride sharing in  
14 vehicles carrying two or more persons, for using public transportation,  
15 for using car sharing, or for using nonmotorized commuting, before June  
16 30, 2013, to their own or other employees.

17 (2) Public agencies, nonprofit organizations, developers, and  
18 property managers are not eligible within the same calendar year for  
19 grants provided under this section and credits under section 2 of this  
20 act.

21 (3) The amount of the grant is equal to the amount paid to or on  
22 behalf of each employee multiplied by fifty percent, but may not exceed  
23 sixty dollars per employee per year.

24 (4) No public agency, nonprofit organization, developer, or  
25 property manager is eligible for grants under this section in excess of  
26 one hundred thousand dollars in any calendar year.

27 (5) No more than seven hundred fifty thousand dollars in grants may  
28 be awarded in any calendar year.

29 (6) The department of transportation shall report to the department  
30 of revenue by the 15th day of each month the aggregate monetary amount  
31 of grants provided under this section in the prior month and the  
32 identity of the recipients of those grants.

33 (7) The source of funds for this grant program is the multimodal  
34 transportation account.

35 (8) This section expires December 31, 2013.

1        NEW SECTION.    **Sec. 10.**    The following acts or parts of acts are  
2 each repealed:

3            (1) RCW 82.04.4453 (Credit--Ride-sharing, public transportation, or  
4 nonmotorized commuting incentives--Penalty--Report to legislature) and  
5 1999 c 402 s 1, 1996 c 128 s 1, & 1994 c 270 s 2;

6            (2) RCW 82.04.4454 (Credit--Ride-sharing, public transportation, or  
7 nonmotorized commuting incentives--Ceiling) and 1999 c 402 s 3, 1996 c  
8 128 s 2, & 1994 c 270 s 3;

9            (3) RCW 82.16.048 (Credit--Ride-sharing, public transportation, or  
10 nonmotorized commuting incentives--Penalty--Report to legislature) and  
11 1999 c 402 s 2, 1996 c 128 s 3, & 1994 c 270 s 4; and

12            (4) RCW 82.16.049 (Credit--Ride-sharing, public transportation, or  
13 nonmotorized commuting incentives--Ceiling) and 1999 c 402 s 4, 1996 c  
14 128 s 4, & 1994 c 270 s 5.

15        NEW SECTION.    **Sec. 11.**    Sections 1 through 8 of this act constitute  
16 a new chapter in Title 82 RCW.

17        NEW SECTION.    **Sec. 12.**    The code reviser shall place cross-  
18 reference sections to chapter 82.-- RCW (sections 1 through 8 of this  
19 act) in chapters 82.04 and 82.16 RCW.

20        NEW SECTION.    **Sec. 13.**    This act takes effect January 1, 2004, but  
21 only if legislation that provides additional revenues, excluding  
22 transfers, for the multimodal transportation account is in effect on  
23 that date.

24        NEW SECTION.    **Sec. 14.**    Captions used in this act are not part of  
25 the law.

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